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WORLD HOG AND PORK PROSPECTS

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SUMMARY

Indications are for continued heavy market supplies of hogs in Europe through the autumn and winter, but further signs of reduced breeding operations are in evidence, notably in Netherlands and Germany. The former country is second only to Denmark as a source of cured pork to the British market. In the United States, marketings smaller than last year are anticipated for the months July - September, but June pig survey returns indicate an increase in breeding operations.

Hog prices in both the United States and Europe were weak during June. Hog-feed ratios at home and abroad were somewhat more unfavorable during June as a result of higher feed prices and the moderate declines in hog prices.

The British cured pork market continued to receive record supplies of continental cured pork during May and June. Supplies from Denmark continued to arrive in large volume, but the feature of the past eight weeks has been the increase in receipts from continental countries other than Denmark. The Netherlands is the leading source of non-Danish continental pork but increasing amounts have become available from Poland and the Baltic States. Receipts of American bacon have been very small, with ham in somewhat better supply.

Lard prices strengthened somewhat during June in both the United States and Europe. American exports again declined in May, especially in exports to the Continent. Exports to the United Kingdom were in keeping with the larger figures of recent months.

United States

After establishing a new low weekly average for the post-war period during the first week of June, hog prices in the United States advanced during the three following weeks. Prices again turned downward during the week ended July 4, however, and about three-fourths of the advance of the preceding three weeks was lost. Prices at Chicago averaged $5.94 during the first week of June, then advanced to $6.68 during the fourth full week of the month. The decline during the week ended July 4 brought the average down to $6.17. The June average at Chicago was $6.36 as against $6.53 in May and $9.52 in June 1930. This was the lowest average for June since 1911 and the lowest for any month since February 1912.

The most favorable factor in the hog market during June was the reduction in market supplies. The seasonal peak of marketings was apparently reached at the end of May and Federally inspected slaughter in June, amounting to 3,251,000 head, was 4.6 per cent under that of May and about 12 per cent smaller than that of June 1930. The average weight of hogs slaughtered made a seasonal increase during the month and the price spread widened between heavy and light weight hogs. The premium paid for light weights was much greater than normal for that time of the year. A decreased demand for pork brought about by the unusually high temperatures was apparently the major influence in the price decline during the week ended July 4.

Cash corn prices advanced moderately during June. No. 3 Yellow at Chicago averaged 57.7 cents per bushel as compared with 56.2 cents in May and 79 cents in June 1930. With hog prices averaging lower for the month and corn prices advancing moderately the corn-hog ratio in June continued to decline. Based on Chicago prices for both commodities the ratio for June averaged 11.0 as compared with 11.6 for May and 12.0 in June of last year.

Hog prices during the five weeks ended July 4 were an accurate reflection of the fresh pork trade during that period. 10-12 pound loins at New York advanced from $16.50 per 100 pounds during the first week of June to $19.90 during the week ended June 27 and then declined to $18.40 during the following week. The spread between light loin and heavy loin prices widened as the month advanced. Cured pork prices were somewhat weaker during the month after remaining about steady during April and May. 12-14 pound regular smoked hams at New York averaged $19.50 in June as against $19.75 in May and $25.75 in June 1930. 8-10 pound No. 1 sweet pickle cured bacon averaged $19.08 as against $19.50 in May and $24.75 in June of last year. Lard prices advanced after declining steadily during May, and the June average at Chicago was $9.53 or approximately the same as in May and $1.47 under the June 1930 average.

The June 1931 Pig Survey made by the Department of Agriculture in cooperation with the Post Office Department indicates that a marked increase in hog production is under way in United States. The survey showed that there was an increase of 2.5 per cent in the number of pigs saved this spring over last. The increase in the North Central States amounted to 3.7 per cent

and changes in the other areas of the country ranged from a decrease of 9½ per cent in the South Central States to an increase of 15.8 per cent in the western States. In analyzing the increase in the spring pig crop, as reported by the survey, as to its indications of market supplies during the coming winter marketing season, the report says: "If the June survey this year indicates the change in market supply in spring pigs from the Corn Belt States about as the June surveys for the past four years have indicated these changes, the market supply of hogs from the 1931 spring crop will be about 7 per cent larger than from the 1930 spring crop. This would represent an increase of about 1,750,000 head of hogs."

The number of sows bred or to be bred for farrowing in the fall of 1931 as shown by the pig survey point to a marked increase in fall farrowings this year over last. The report shows an intended increase for United States of 37 per cent in sows bred or to be bred to farrow this fall, compared to sows farrowedin the fall of 1930 but changes in farrowings as reported in the December pig survey during the past four years have been around 19 points below changes shown by June breeding intentions for the United States as a whole. If the same relationship holds this year, fall farrowings reported next December will be about 18 per cent larger than in the fall of 1930. This would be the largest increase in fall farrowings since the fall of 1922 and would be equivalent to about a 6 per cent increase in the total 1931 pig crop.

The pig survey also bore out previous indications of a reduced number of hogs to be marketed during the remainder of the current marketing year, since 3 per cent more hogs over six months of age including brood sows in the North Central States on June 1 this year were reported on farms than were reported on June 1, 1930. If there is an increase over last fall in the number of sows kept for farrowing this fall, such as the survey indicates, a considerably smaller number of hogs will be marketed from July to September this year than during the same months a year earlier. The number of hogs slaughtered under Federal inspection during the first nine months of the current marketing year was 4.2 per cent smaller than during the 1929-30 marketing year.

Total exports of pork products during May continued to decline. Bacon exports amounted to only 2,388,000 pounds as compared with 2,917,000 in April and 8,353,000 pounds in May 1930. Smaller quantities than those of April were exported to all of the principal importing countries, and they were far below the levels of a year ago. Takings by United Kingdom were 27 per cent smaller than those of April and 69 per cent under those of May 1930. The export movement of bacon during the first eight months of the current marketing year was 64 per cent under that of the corresponding period a year earlier.

Total exports of hams and shoulders during May increased over those of April but were 28 per cent smaller than those of May 1930. During the 8-month period from October 1930 to May 1931 exports of hams and shoulders were reduced 28 per cent from those of the corresponding period in 1929-30. The movement to Cuba during May was more than twice as large as during the corresponding months of last year. Takings by United Kingdom amounting to 8,429,000 pounds were 22 per cent greater than in April but 26 per cent

under those of a year earlier. The movement to Canada was far below the 1930 level.

Lard exports during May amounting to 40,514,000 pounds were 11.2 per cent under those of April and 36 per cent under those of May 1930. Exports to Germany were reduced from 10,611,000 pounds in April to 6,155,000 pounds in May. Germany took slightly larger quantities during the first four months of the calendar year than during the same months a year earlier, but in May they were about 47 per cent smaller than in May 1930. Lard exports to Netherlands were also sharply reduced in May, the quantity taken amounting to only 871,000 pounds as compared with 3,289,000 in April. This reduction is apparently a reflection of the increased production of pork which has been in evidence in that country during recent months. Both United Kingdom and Cuba showed an increase in takings of lard over those of April, the increase in those countries amounting to 21 per cent and 16 per cent respectively. The reduction in the lard export movement during the first eight months of the 1930-31 marketing year from that of a year earlier, amounted to 26 per cent.

The storage situation in the United States continues to be a depressing factor on the hog market. Stocks of pork on June 1 amounting to 828 million pounds were 5 per cent smaller than those of May 1 but were 23 per cent larger than those of June 1, 1930 and 10 per cent above the 5-year June 1 average. Lard stocks on June 1 amounted to 103 million pounds which were 10 per cent smaller than on June 1 last year. Preliminary indications point to some improvement in the storage situation on July 1 due primarily to the marked reduction in June hog slaughter.

Canada

Hog prices in Canada made an irregular advance during June. The average price for bacon hogs at Toronto during the first four weeks of the month was $8.52 per 100 pounds as compared with $8.25 during the corresponding weeks of May and $12.42 in June 1930. Market supplies, as indicated by gradings at stock yards and packing plants in Canada amounted to 176,000 head during the four weeks of June which was an increase of 1 per cent over those of May, and a decrease of 5.4 per cent from those of the corresponding weeks in June 1930. Prices at Toronto and other Dominion markets were mostly 25 cents higher during the week ended July 2, which was largely a reaction to reduced market supplies.

United Kingdom

The large supplies of continental cured pork in British markets combined with seasonal factors to drive the Liverpool average price of Danish Wiltshire sides for June down to $13.47 per 100 pounds, according to cabled advices from Agricultural Commissioner Foley at London. American green bellies were fairly steady at $14.07, but in very limited supply. American short cut green hams averaged 36 cents below the preceding month to reach $16.59. All prices were materially under those of last June. The Danish product was priced $2.67 below the pre-war average for that month. Stocks of cured pork at Liverpool on July 1 totaled 4,540,000 pounds against 4,963,000 pounds on

July 1, 1930. In view of the consistently heavier imports of recent months as against a year ago, and the regularly smaller stock figures, the influence is that bacon consumption in the United Kingdom is being maintained at levels considerably higher than last year, since there is no significant reexporting of that commodity.

Bacon imports during May from continental countries other than Denmark were largely responsible for total receipts going to more than 108 million pounds . That figure was second only to the 112 million pounds imported last December in the record of monthly bacon imports. The current season's total to May 31 was 26.2 per cent larger than that of last season and 17.3 per cent above the corresponding period of 1927-28, the former record year. May imports from Denmark at 67,190,000 pounds were a record for that month and larger than in January, March or April, but below the monthly figures of October, December and February. The season's total import from Denmark to May 31 was 37 per cent larger than the corresponding 1929-30 total.

British imports of bacon from continental countries other than Denmark reached the record monthly figure of 36,816,000 pounds in May. Imports from the Netherlands are included in that figure. Bacon imports from that source, however, were only slightly larger during April, whereas the figure quoted above represented an advance of 5,415,000 pounds over April imports from the same countries. The Baltic States and Russia account for the bulk of the larger imports from the Continent outside of Denmark. Receipts from the United States in May reached an unusually low level and were less than half of last year's May receipts from that source. Imports from Canada rose slightly over April figures but were still very low and only about one-third the volume of May 1930. Receipts from the Irish Free State were lower in May than in April and well below the post-war average for May. Ham imports during May made a moderate somewhat seasonal increase but remained below those of a year ago.

The slightly stronger tone in British lard markets during June brought the Liverpool average up to $9.61 per 100 pounds against $9.30 in May and $11.25 in May 1930. The pre-war June average was $11.86. Lard stocks at Liverpool on July 1 were 3,718,000 pounds, more than double those of a month earlier and slightly larger than those of a year ago. Total lard imports during May reached 25,276,000 pounds a decrease from April figures, but larger than imports for May 1930. Total lard imports for the current season to May 31 were 9.4 per cent larger than for the corresponding 1929-30 period.

A seasonal decline in market receipts of fresh British and Irish pork brought the June figures for the London central markets down to 3,181,000 pounds. The decline from May figures this year, however, was less marked than the similar movement in 1930. The June 1931 receipts were 954,000 pounds larger than those of a year earlier. Receipts of fresh pork from other sources also were down in June but were slightly larger than a year earlier. For the second successive month, hogs bought in Ireland for local bacon curing were smaller in number than for the corresponding months of 1930.

Irish Free State

The proposal to levy an import duty on bacon entering the Irish Free State has been abandoned, according to Consul B. P. Hulley at Dublin. Official records show that of the 42 million pounds of bacon imported into the Irish Free State in 1930, 70.3 per cent came from the United States, a business valued at more than $5,500,000. Of the 1930 imports from the United States, 90 per cent was received via United Kingdom ports, but there is a tendency toward increased direct shipment, the Consul states. Total bacon imports into the Irish Free State rose to the 1930 level from 38 million pounds in 1928. The latter figure, however, was a material decline from the 1925 total of 53 million pounds.

Denmark

Preliminary figures place Danish bacon exports for May at about 66 million pounds. That figure is one of the lowest for any month of the current season, but is a record for May exports. September 1930 was the first month on record wherein Danish bacon exports exceeded 60 million pounds. Total bacon exports for the period October - May, 1930-31 were about 37 per cent larger than for the corresponding 1929-30 period, according to the preliminary figures now available.

Netherlands

Numbers of young pigs in the Netherlands on June 1 were higher than at that time last year, according to a cable of June 27 from Agricultural Attaché L. V. Steere at Berlin. Pigs under six weeks were 18 per cent higher, those from six weeks to about 130 pounds' weight were 33 per cent higher, and from 130 to 220 pounds, 22 per cent higher. Those weighing over 220 pounds were 5 per cent lower than on June 1, 1930. The beginning of a downward turn in breeding operations is suggested by the fact that the number of sows bred was 13 per cent lower on June 1 than a year earlier.

The heavier supplies of Netherlands bacon available for export are indicated by the May increase to nearly 12 million pounds in the United Kingdom imports of Dutch bacon. The May imports from the Netherlands established a record for that month, but imports of the Dutch product were not up to the record set in July and August 1928. Indications of increased Netherland bacon production in recent months are borne out by slaughter records of the first quarter of 1931. The number of hogs killed for bacon production in that period was 241,800 against 209,700 in the corresponding 1930 period, according to Consul General L. C. Hoover at Amsterdam.

Germany

The rather sharp fluctuations in German hog prices during June resulted in a Berlin average of heavy hogs for the month of $9.36 per 100 pounds, according to information cabled by Agricultural Attache Steere at Berlin. For the past three months the monthly average has been only slightly higher or lower than the figure stated, but weekly average prices have been as low as $8.81 and as high as $10.21. Prices weakened sharply late in June following the publication of the results of the June 1 hog survey showing an increase in total hog numbers and indicating a continuation of heavy market supplies.

Hog-feed price relationships in Germany are growing less favorable, largely as a result of mounting feed costs since hog prices have averaged fairly steady for recent months. In May, the average price of barley at Leipzig was 13.3 per cent higher than in April and 26.1 per cent above last year's price. At Breslau, feed potato prices for May were up 13.3 per cent over April and 104 per cent above a year earlier. Berlin hog prices in May were a shade lower than in April and 31.1 per cent lower than in May 1930.

The June 1 hog survey in Germany places total numbers at 22,500,000 head, according to preliminary figures cabled by Agricultural Attache Steere at Berlin. That figure is 2,696,000 head larger than that of June 1, 1930, but is nearly 1 million head under the record number counted in September 1930. Since June 1930 there have been steady gains in the number of young pigs under six months of age, the current total of 16,400,000 head being about 15 per cent larger than that of a year ago.

Germany: Young pigs, brood sows and total hogs on hand June 1, 1931, with comparisons

Date of census	Young pigs		Brood sows			Total hogs
	Under eight weeks	Eight weeks to six months	Six months to 1 year	Over 1 year	Total	
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
June 2, 1914	14,825		714	1,531	2,245	22,118
Dec. 1, 1927	4,379	9,910	504	1,218	1,722	22,899
June 1, 1928	4,936	9,557	707	1,150	1,857	20,187
Dec. 1, 1928	4,003	8,487	556	1,063	1,619	20,106
June 1, 1929	4,160	8,099	671	1,145	1,816	16,794
Sept. 1, 1929	5,373	8,290	652	1,208	1,860	19,604
Dec. 1, 1929	4,412	8,679	663	1,178	1,841	19,920
Mar. 1, 1930	5,012	8,555	722	1,229	1,951	18,649
June 1, 1930	5,091	9,178	876	1,356	2,232	19,804
Sept. 2, 1930	6,518	9,805	811	1,466	2,277	23,414
Dec. 1, 1930	5,440	10,002	673	1,496	2,169	23,363
Mar. 1, 1931	5,750	10,231	706	1,517	2,223	21,790
June 1, 1931 a/	6,000	10,400	700	1,700	2,400	22,500

Compiled from official sources, and cables from Agricultural Attache' L. V. Steere at Berlin.
a/ Preliminary.

There has been a decline in the number of young brood sows and the number of sows in farrow, but the total of all sows is still unusually high. The figures for June 1931 indicate continued heavy market supplies of pork during the coming autumn and winter. Despite the large total figures, however, the rate of increase from March 1, 1931 to June 1, 1931 was below the corresponding rate of 1930. The increases in various classes of German hogs

between those two dates of 1931 are as follows, with the corresponding 1930 increase in parenthesis: Young pigs 420,000 (702,000); total brood sows, 177,000(281,000); total hogs, 710,000(1,155,000). These relationships, together with a decline as against last year, in the number of young brood sows, and total sows in farrow suggest a slowing down in German hog production which will not become apparent in market supplies until next spring or summer.

"German market receipts of hogs during June were continued on the higher levels of recent months, preliminary figures indicate returns for May give a total of 312,000 head received at 14 markets, somewhat more than in April and 8.3 per cent more than a year ago. For the current season to May 31, market receipts ran 9.4 per cent higher than last season. Slaughter at 36 centers in May also gained over April to reach 428,000 head, a point 15.3 per cent above a year ago and brought the season's cumulative total up 13.7 per cent above last year. Neither receipts nor slaughter figures, however, have reached the record high levels of the 1927-28 season. Despite the increased local production of pork products, imports of bacon into Germany from neighboring countries runs ahead of last season's imports, the total to May 31 being 29 per cent larger than for the corresponding 1929-30 period. In lard, German markets showed somewhat more strength in June, the Hamburg average being $10.49 per 100 pounds against $10.34 in May and $11.55 a year ago. May lard imports took a more than seasonal cut to show only 13,528,000 pounds. To May 31, the season's lard imports were 13.3 per cent below last year."

Other countries

Italy (Sicily)

Sicily has ceased to be a market for American lard, according to Vice Consul D. H. Buffum at Palermo. Imports during 1931 have been negligible. Total lard imports in 1930 were little more than half as great as in 1928, but the United States got a much smaller share of the 1930 business than was true in 1928. In the latter year, of the 2,292,000 pounds imported from all foreign sources into Sicily, about 55 per cent came from the United States. Additional supplies are being secured locally and from the Italian mainland. Of the foreign supplies, most of it is now being secured from Netherlands, Hungarian, Belgian and Danish sources. The neglect of the American product appears to be largely a matter of price, since there are some indications of preference for the American product on a quality basis. There are also some indications of an increasing use of lower-priced vegetable oils for cooking, when mixed with the native olive oil.

Cuba

Cuban imports of American lard are expected to decline during 1931 as against 1930 figures, according to Consul Harold B. Quarton at Havana. From 1924 to 1930 the value of that business ranged from $9,000,000 to $14,000,000 annually. During the period October - May of the current hog marketing year, United States lard exports to Cuba totaled only 28,779,000 pounds. These exports in recent years have ranged from 52 million to 56 million pounds for

the corresponding eight months. The 1930-31 figure represents 7.0 per cent of the total American lard exports up to May 31. Last year during the same eight months, lard exports to Cuba represented 9.7 per cent of the total for the period. Cuba ranks third after the United Kingdom and Germany as a foreign market for American lard.

In 1928 and 1929, the last years for which detailed figures are available, the United States supplied all but an insignificant amount of the Cuban lard imports. The present general duty on lard, 4.9 cents a/ per pound, became effective on February 5, 1931. The 20 per cent preference given imports from the United States, however, is not sufficient to overcome the advantage given vegetable oils by virtue of lower duties on those products. Native preference is for pure lard or olive oil for cooking, according to the Consul. The latter product pays a considerably lower duty rate than does lard, the tariff on olive oil being 1.1 to 1.4 cents per pound, depending on the type of container.b/ Cuban hog numbers in 1928 totaled only 390,912 head. Cuban hogs bear a relatively low percentage of fat suitable for lard. Local authorities apparently are more interested in increasing the domestic output of oil-bearing seeds than in expanding hog numbers.

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a/ As from July 1, 1932, the duty will be subject to a surcharge of 5 per cent, increasing to one of 10 per cent from July 1, 1933, and so on until on July 1, 1936, the surcharge on the duty will become 25 per cent at which figure it will remain fixed.

b/ Olive oil in bottles pays 1.4 cents per pound, plus a surtax of 10 per cent of duty.

Hogs and pork products: Indices of foreign supplies and demand

Country and item	Unit	Oct. to May					
		1909-10 to 1913-14 average	1924-25 to 1928-29 average	1927-28	1928-29	1929-30	1930-31
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	430	438	455	519	444	478
Supplies, domestic fresh pork, London	1000 pounds		42,025	62,922	61,270	47,739	53,417
Imports -							
Bacon -							
Denmark	"	162,459	333,487	422,037	367,345	396,626	543,617
Irish F. State	"		36,682	37,624	43,764	29,957	19,222
United States	"	124,784	74,687	42,480	42,638	46,694	18,480
Canada	"	27,289	50,282	26,403	14,369	10,420	2,278
Others	"	27,954	105,553	144,378	156,928	142,040	206,719
Total	"	342,486	600,691	672,922	625,044	625,737	790,296
Ham, total	"	60,729	81,403	64,004	67,570	71,924	57,404
Lard, total	"	148,270	181,212	198,303	193,110	189,554	207,608
DENMARK:							
Exports -							
Bacon	"		332,285	411,564	362,455	395,217	541,103
CANADA:							
Slaughter -							
Hogs, inspected	1000's	1,154	1,880	1,917	1,738	1,541	1,309
GERMANY:							
Production -							
Hog receipts 14 cities	"		2,198	2,951	2,444	2,263	2,477
Hog slaughter 36 centers	"	3,000	2,731	3,631	3,219	2,899	3,298
Imports -	1000						
Bacon, total	pounds	1,855	12,065	6,360	7,217	12,667	16,347
Lard, total	"	138,404	150,588	134,858	147,109	150,240	129,746
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	22,467	32,856	35,255	35,370	33,169	32,086
Exports -							
Bacon -	1000						
United Kingdom	pounds	87,643	45,404	27,136	31,236	37,575	15,602
Germany	"	1,204	7,931	7,210	3,926	5,054	329
Cuba	"	5,114	14,027	12,899	10,081	11,275	7,091
Total	"	119,927	96,436	80,521	81,187	85,467	30,523
Hams, shoulders	"						
United Kingdom	"	92,422	95,006	64,833	60,634	65,531	47,539
Total	"	107,272	113,979	80,762	76,012	81,918	58,890
Lard -							
United Kingdom	"	118,283	155,919	168,460	161,935	167,553	188,239
Germany	"	98,123	130,674	115,369	146,648	130,305	77,958
Cuba	"	24,895	54,772	55,476	56,211	54,532	28,779
Netherlands	"	26,136	29,592	25,988	29,305	34,833	19,721
Total	"	326,974	500,470	505,401	563,703	552,392	409,491

Hogs and pork products: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	May 1909-1913 average	May 1925-1929 average	May 1930	April 1931	May 1931
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	7.81	11.13	10.02	7.26	6.53
Corn, Chicago, No. 3 Yellow	1.16	1.71	1.41	1.04	1.00
Hogs, heavy, Berlin, live weight	10.96	13.89	13.60	9.39	9.34
Potatoes, Breslau feeding	.37	.58	.25	.45	.51
Barley, Leipzig	1.75	2.44	1.95	2.36	2.46
Lard -					
Chicago	10.68	14.74	11.50	10.00	9.50
Liverpool	11.80	15.16	11.80	10.22	9.30
Hamburg	12.65	15.67	12.04	10.91	10.34
Cured pork -					
Liverpool -					
American short cut green hams	14.30	24.39	21.10	17.03	16.95
American green bellies		21.19	18.28	13.99	14.12
Danish Wiltshire sides	15.60	25.16	21.43	16.34	16.67
Canadian green sides	14.64	22.76	a/20.06	b/	b/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		7,564	5,804	4,504	4,742
Lard, refined		7,246	3,006	2,063	1,649
United States -					
Processed pork c/		780,179	675,167	867,524	828,143
Lard in cold storage		145,332	115,270	95,693	103,456

a/ Three weeks only. b/ No quotation. c/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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